

# EXHIBIT E

Page 62

1 Q. Did there come a point after  
2 that you did that?

3 A. With Ms. Unger and  
4 facilities, yes.

5 Q. Do you have a recollection  
6 of telling Ms. Hartford that you deduced  
7 the sprinkler pipe had burst because of  
8 the broken windows and the pipe freezing?

9 A. No, I did not deduce that.

10 Q. Did you ever reach your own  
11 conclusions as to why you thought the  
12 leak had occurred?

13 MR. KANCHER: Objection to  
14 form.

15 THE WITNESS: The leak? The  
16 sprinkler head?

17 BY MR. COLEMAN:

18 Q. The sprinkler head, yes.

19 A. Only what was told to me by  
20 Kistler O'Brien and the other people that  
21 were on site.

22 Q. What did Kistler O'Brien  
23 tell you?

24 A. That it had frozen and

Page 63

1 shattered.

2 That was only one of many  
3 people that were on site, so...

4 Q. Do you recall any other  
5 persons or entities telling you that that  
6 was how the leak had occurred? That it  
7 had frozen and shattered?

8 A. Not specifically, no.

9 Kistler O'Brien worked with  
10 plumbers and other personnel that were on  
11 site.

12 Q. Was Kistler O'Brien a  
13 contractor that Rite Aid used?

14 A. I don't believe so. The  
15 fire system that was in place there was  
16 not part of Rite Aid fire protection.

17 Q. Do you have a recollection  
18 as to who from Kistler O'Brien told you  
19 that the sprinkler head had frozen and  
20 shattered?

21 A. No, sir. There were  
22 tremendous amounts of personnel on site.

23 Q. About how long after the  
24 incident occurred do you remember being

Page 64

1 told that that was the cause of it?

2 A. I believe it was a few days.

3 I don't recollect that it was any time  
4 longer than that.

5 Q. Do you recall if anyone was  
6 with you when Kistler O'Brien told you  
7 that that's how it happened?

8 A. I don't recall.

9 Q. Is that the type of thing  
10 that you and facilities would have wanted  
11 to learn?

12 A. More so I would say  
13 facilities. My job was to operate the  
14 store and get it back open.

15 Q. So you think facilities  
16 would have been concerned about figuring  
17 out why the loss occurred?

18 MR. BYRON: Objection.

19 THE WITNESS: Simply because  
20 they are the liaison.

21 BY MR. COLEMAN:

22 Q. At any point after the  
23 incident in question, were you given  
24 possession of the sprinkler head?

Page 65

1 A. I don't recall ever  
2 receiving that.

3 Q. Do you recall attending a  
4 meeting with anyone from Plick and  
5 Associates?

6 A. Plick and Associates? No.

7 Q. Does the name Mike Zazulla  
8 ring a bell?

9 A. Not to my recollection, no.

10 Q. Do you have any recollection  
11 as to anybody else that had possession of  
12 the sprinkler head at that point after  
13 the incident?

14 A. No, not to my recollection.

15 Q. How long after the incident  
16 did it take for the store to open again?

17 A. It took us about 4 to  
18 5 days.

19 Q. Can you describe the extent  
20 of the damage to the leased space -- your  
21 space -- due to the sprinkler leak?

22 A. There was a lot of ceiling  
23 tile damaged that needed to be replaced,  
24 there was some interior/exterior

17 (Pages 62 to 65)

# EXHIBIT F

mail Chris all contacts name, info and phone numbers, and he will call Jerry this evening to confirm time to meet tomorrow. Told Jerry if there is a conflict to let me know and I can send someone. Chris said not to sign the Restoration contract as long as they are working.

\*Apex were checking the system and found running water ¾ inch pipe is running into a radiator system which is running into a bathroom in the basement into a drain into the system. Mold and damage shows that it has been running for years. ADDRESS WITH INSURANCE CARRIER – TBD (separate issue from insurance claim, hired Plumber to fix the problem, he shut off any pipes not necessary for Rite Aid)\*

Jeff – 484-634-0278 - Apex could not get air pressure, so something is wide open – they should try to trouble shoot – Jeff recommends them staying and troubleshooting while they are there and everything is open instead of coming back tomorrow – I agreed – Jeff called back, the city shut the water off and will not be back until tomorrow morning to turn it back on, so the building is unprotected with no fire alarm tonight. Apex will be back out first thing in the am.

3/6 – Rob Smith called, Hartford has to transfer it to another large claim agent. They need someone to open the elevator door – they need access to the elevator pit, they need to lock the elevator so it doesn't fall so they can get into the elevator shaft to clean the water there. Need to find an elevator company and electrician to lock it call him back after the Hartford calls me to confirm coverage and then after I find an elevator company

Called Joe from Adriot Elevator and Lift 610-791-4334 – he will contact Bob Smith and go out to lock elevator on Monday so Bob can remove water from elevator shaft

Bob mentioned that we have to make a decision on mold removal

Andrea from Del County Rest called – they need the faxed work authorization today. Called GMD, signed and sent.

Chris Ernest Im, he does not think the damage will be covered by Hartford because we failed to provide heat, which caused the pipe burst. Further investigation is needed, he is going to contact his boss for further investigation – called GMD to let him know, he said proceed as usual, get the emergency work done and pay who needs to be paid.

Jerry called, the separate pipe leak issue that we thought could wait now can not, because they knocked some walls out to find the leak, that pipe is now leaking into the store at a serious rate. He said we need to get a plumber out right away. Called @10 plumbers – can not get anyone out there. Called Jeff to see if one of their guys can do it or if he knows anyone who can go. He is going to call Jerry to get more info and try to figure out who to send and what to do. Also, Jeff said they still have not had success getting the City of Allentown to turn the water back on/get the sprinkler system back on line, so they are still on fire watch. They will try to get it done today, if they can't, they will have to pay overtime for Sat. Also, there are going to be three options going forward, either get heat to the vacant space/pipes,

# EXHIBIT G

1 were below 32?

2 A. Yes.

3 Q. I appreciate you walking me  
4 through that. Looking at the top of  
5 these two paragraphs -- "callout, third  
6 floor sprinkler went off. Once on site,  
7 found third floor flooded due to  
8 sprinkler head going off. It appears  
9 there was no heat and the system froze."

10 How did you reach that  
11 conclusion?

12 A. It was cold. It was bitter  
13 cold. It was very cold. The building --  
14 it was -- it felt just as cold inside as  
15 it was outside. There was no change.  
16 You couldn't feel the change and -- you  
17 know.

18 Q. And forgive me if these  
19 sound like very basic questions; but  
20 then, in your mind, as a lead sprinkler  
21 technician, is it then, for lack of a  
22 better term, common sense or a very  
23 obvious conclusion as to what might  
24 happen when you approach a situation like

Page 70

1 that?

2 MR. KANCHER: Object to the  
3 form.

4 BY MR. COLEMAN:

5 Q. You can still answer.

6 How --

7 A. To me, it was just common  
8 sense. It was that cold, that -- you  
9 know, I know that when you get cold, you  
10 go somewhere where it's warm. It  
11 was that -- it appeared that cold.

12 Q. And did that -- it being --  
13 the fact that it was that cold in the  
14 building, did that then lead you to  
15 conclude that the sprinkler had frozen  
16 and ruptured?

17 MR. KANCHER: Object to the  
18 form.

19 BY MR. COLEMAN:

20 Q. You tell me what led you to  
21 conclude that the system froze.

22 A. Seeing the condition of the  
23 building from previous inspections, going  
24 up to the floor where the head had

1 allegedly went off, it was -- nothing had  
2 changed. Everything -- the windows were  
3 still -- it was cold. It's the only way  
4 I can describe it. It was cold.

5 Q. Do you have an independent  
6 recollection of reviewing any of the  
7 prior inspection reports prepared by  
8 Kistler in connection with this property?

9 A. At one point, I probably did  
10 read through some of them, yes. Prior to  
11 this incident, no, because it's not about  
12 an inspection. It was about a callout  
13 due to breakage.

14 Q. Did you talk to anyone about  
15 your conclusion that the system froze  
16 that day?

17 A. There was multiple people on  
18 site, multiple people. The repair was  
19 already made prior to me getting there  
20 and everybody said that, you know, it  
21 froze and broke.

22 Q. Do you recall who everybody  
23 was?

24 A. Just people there. I didn't



# EXHIBIT H

**Craig Rohner**

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**From:** Craig Rohner <cwrohner@comcast.net>  
**Sent:** Tuesday, June 14, 2011 4:07 PM  
**To:** Laura Hart  
**Cc:** George M Diemer  
**Subject:** Heating Calculations

Laura,

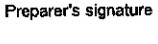
I have someone who can do sophisticated heating calculations to determine the third floor temperature based upon conditions when Rite Aid heated their space in the Allentown building. I have a set of plans to give out but do not have the **size of the heater** that Rite Aid used. Also I would need to know if the **walls and/or ceiling** of the Rite Aid area **were insulated** and if so what **R factor**.

Is there any chance Billy would have this information? Assuming he does not, is there any way he could get this information between now and Thursday night? Thank you.

Craig

CROHNER 0096

# EXHIBIT I

<b>Form 1065</b> Department of the Treasury Internal Revenue Service		<b>U.S. Return of Partnership Income</b> For calendar year 2010, or tax year beginning _____, 2010, ending _____, 20____. ▶ See separate instructions.		OMB No. 1545-0099 <b>2010</b>	
<b>A</b> Principal business activity  <b>Rental</b>		<b>Print or type.</b>	Name of partnership  <b>Seventh &amp; Allen Equities, LLC</b>		<b>D</b> Employer identification number  <b>23-3063274</b>
<b>B</b> Principal product or service  <b>Real Estate</b>			Number, street, and room or suite number. If a P.O. box, see the instructions. <b>3000 Atrium Way, Suite 219</b>		<b>E</b> Date business started  <b>02/09/01</b>
<b>C</b> Business code number  <b>531110</b>			City or town  <b>Mount Laurel</b>	State ZIP code  <b>NJ 08054</b>	<b>F</b> Total assets (see instrs)  <b>\$ 1,121,471.</b>
<b>G</b> Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination — also check (1) or (2)					
<b>H</b> Check accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ _____					
<b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ _____ <b>2</b>					
<b>J</b> Check if Schedules C and M-3 are attached <input type="checkbox"/>					
<b>Caution.</b> Include <i>only</i> trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.					
<b>I N C O M E</b>	<b>1 a</b> Gross receipts or sales .....		<b>1 a</b>		
	<b>b</b> Less returns and allowances .....		<b>1 b</b>		<b>1 c</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8) .....				<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c .....				<b>3</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) .....				<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040)) .....				<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) .....				<b>6</b>
	<b>7</b> Other income (loss) (attach statement) .....				<b>7</b>
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7 .....				<b>8</b>	
<b>S E E  I N S T R U C T I O N S  F O R  D E D U C T I O N S  F O R  L I M I T A T I O N S</b>	<b>9</b> Salaries and wages (other than to partners) (less employment credits) .....				<b>9</b>
	<b>10</b> Guaranteed payments to partners .....				<b>10</b>
	<b>11</b> Repairs and maintenance .....				<b>11</b>
	<b>12</b> Bad debts .....				<b>12</b>
	<b>13</b> Rent .....				<b>13</b>
	<b>14</b> Taxes and licenses .....				<b>14</b>
	<b>15</b> Interest .....				<b>15</b>
	<b>16 a</b> Depreciation (if required, attach Form 4562) .....		<b>16 a</b>		
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return .....		<b>16 b</b>		<b>16 c</b>
	<b>17</b> Depletion (Do not deduct oil and gas depletion.) .....				<b>17</b>
	<b>18</b> Retirement plans, etc .....				<b>18</b>
	<b>19</b> Employee benefit programs .....				<b>19</b>
	<b>20</b> Other deductions (attach statement) .....				<b>20</b>
	<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20 .....				<b>21</b>
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8 .....				<b>22</b>	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.					
<b>Sign Here</b>		Signature of general partner or limited liability company member manager		Date	
<b>Paid Preparer Use Only</b>		Print/Type preparer's name  <b>Paul Martella</b>		Preparer's signature  	
		Firm's name ▶ <b>Paul Martella, C.P.A.</b>		Check <input checked="" type="checkbox"/> if self-employed PTIN <b>P00486790</b>	
		Firm's address ▶ <b>17 Thomas Eakins Way</b>		Firm's EIN ▶ <b>20-8231165</b>	
		<b>Marlton NJ 08053</b>		Phone no. <b>(856) 596-7066</b>	
BAA For Paperwork Reduction Act Notice, see separate instructions. PTPA0112 01/18/11 Form 1065 (2010)					

CROHNER 0040

Form 1065 (2010) **Seventh & Allen Equities, LLC**

23-3063274

Page 2

**Schedule A Cost of Goods Sold** (see the instructions)

1	Inventory at beginning of year .....	1	
2	Purchases less cost of items withdrawn for personal use .....	2	
3	Cost of labor .....	3	
4	Additional section 263A costs (attach statement) .....	4	
5	Other costs (attach statement) .....	5	
6	<b>Total.</b> Add lines 1 through 5 .....	6	
7	Inventory at end of year .....	7	
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 .....	8	

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
 (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) .....

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) .....

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) .....

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ Noe Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If 'Yes,' attach explanation .

**Schedule B Other Information**

1 What type of entity is filing this return? Check the applicable box:

- a ☐ Domestic general partnership      b ☐ Domestic limited partnership  
 c ☒ Domestic limited liability company      d ☐ Domestic limited liability partnership  
 e ☐ Foreign partnership      f ☐ Other .....

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? .....

3 At the end of the tax year:

a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....

4 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below .....

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below .....

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

CROHNER 0041

Form 1065 (2010) **Seventh & Allen Equities, LLC**

23-3063274

Page 3

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details . . . . .		X
6 Does this partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 . . . . . If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? . . . . .		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .		X
10 At any time during calendar year 2010, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country. . . . .		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions . . . . .		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? . . . . . See instructions for details regarding section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) . . . . . <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property? . . . . .		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions . . . . .		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. . . . .		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return . . . . .		

**Designation of Tax Matters Partner** (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP . . . . .	Identifying number of TMP . . . . .
If the TMP is an entity, name of TMP representative . . . . .	Phone number of TMP . . . . .
Address of designated TMP . . . . .	

Form 1065 (2010)

CROHNER 0042

Form 1065 (2010) **Seventh & Allen Equities, LLC**

23-3063274

Page 4

<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	1 Ordinary business income (loss) (page 1, line 22) .....	1	
	2 Net rental real estate income (loss) (attach Form 8825) .....	2	-223,491.
	3a Other gross rental income (loss) .....	3a	
	b Expenses from other rental activities (attach stmt) .....	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a .....	3c	
	4 Guaranteed payments .....	4	
	5 Interest income .....	5	
	6 Dividends: a Ordinary dividends .....	6a	
	b Qualified dividends .....	6b	
	7 Royalties .....	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) .....	8	
<b>Income (Loss)</b>	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) .....	9a	
	b Collectibles (28%) gain (loss) .....	9b	
	c Unrecaptured section 1250 gain (attach statement) .....	9c	
	10 Net section 1231 gain (loss) (attach Form 4797) .....	10	
	11 Other income (loss) (see instructions) Type ▶ .....	11	
<b>Deductions</b>	12 Section 179 deduction (attach Form 4562) .....	12	
	13a Contributions .....	13a	
	b Investment interest expense .....	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶ .....	13c (2)	
<b>Self-Employment</b>	d Other deductions (see instructions) Type ▶ .....	13d	
	14a Net earnings (loss) from self-employment .....	14a	
	b Gross farming or fishing income .....	14b	
<b>Credits</b>	c Gross nonfarm income .....	14c	
	15a Low-income housing credit (section 42(j)(5)) .....	15a	
	b Low-income housing credit (other) .....	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) .....	15c	
	d Other rental real estate credits (see instructions) Type ▶ .....	15d	
	e Other rental credits (see instructions) Type ▶ .....	15e	
<b>Foreign Transactions</b>	f Other credits (see instructions) Type ▶ .....	15f	
	16a Name of country or U.S. possession ... ▶ .....	16a	
	b Gross income from all sources .....	16b	
	c Gross income sourced at partner level .....	16c	
	Foreign gross income sourced at partnership level		
	d Passive category ▶ e General category ▶ f Other ▶ .....	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶ .....	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other ▶ .....	16k	
<b>Alternative Minimum Tax (AMT) Items</b>	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> .....	16l	
	m Reduction in taxes available for credit (attach statement) .....	16m	
	n Other foreign tax information (attach statement) .....		
	17a Post-1986 depreciation adjustment .....	17a	-86.
	b Adjusted gain or loss .....	17b	
	c Depletion (other than oil and gas) .....	17c	
<b>Other Information</b>	d Oil, gas, and geothermal properties – gross income .....	17d	
	e Oil, gas, and geothermal properties – deductions .....	17e	
	f Other AMT items (attach stmt) .....	17f	
	18a Tax-exempt interest income .....	18a	
	b Other tax-exempt income .....	18b	
	c Nondeductible expenses .....	18c	
<b>Other Information</b>	19a Distributions of cash and marketable securities .....	19a	
	b Distributions of other property .....	19b	
	20a Investment income .....	20a	
	b Investment expenses .....	20b	
	c Other items and amounts (attach stmt) .....		

BAA

Form 1065 (2010)

CROHNER 0043



Form 1065 (2010) Seventh &amp; Allen Equities, LLC

23-3063274

Page 5

**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	-223,491.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		-223,491.					

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			3,213.		682.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt)	Ln. 6 Stmt		20,599.		26,522.
7 Mortgage and real estate loans					
8 Other investments (attach stmt)					
9a Buildings and other depreciable assets		958,690.		958,690.	
b Less accumulated depreciation		208,971.	749,719.	233,929.	724,761.
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)			369,405.		369,405.
12a Intangible assets (amortizable only)		12,001.		12,001.	
b Less accumulated amortization		10,700.	1,301.	11,900.	101.
13 Other assets (attach stmt)					
14 Total assets			1,144,237.		1,121,471.
Liabilities and Capital					
15 Accounts payable			4,460.		4,460.
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt)					
18 All nonrecourse loans					
19 Mortgages, notes, bonds payable in 1 year or more			904,975.		853,150.
20 Other liabilities (attach stmt)					
21 Partners' capital accounts			234,802.		263,861.
22 Total liabilities and capital			1,144,237.		1,121,471.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-223,491.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest ... \$	
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation ... \$	
a Depreciation ... \$		8 Add lines 6 and 7	
b Travel and entertainment ... \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-223,491.
5 Add lines 1 through 4	-223,491.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	234,802.	6 Distributions: a Cash	
2 Capital contributed: a Cash	252,550.	b Property	
b Property		7 Other decreases (itemize):	CROHNER 0044
3 Net income (loss) per books	-223,491.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	263,861.
5 Add lines 1 through 4	263,861.		



Form **8825**

(Rev December 2010)

Department of the Treasury  
Internal Revenue Service**Rental Real Estate Income and Expenses of a  
Partnership or an S Corporation**

▶ See instructions.

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

Name

Employer identification number

**Seventh & Allen Equities, LLC****23-3063274**

- 1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.

	Physical address of each property – street, city, state, ZIP code	Type – Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
A	-----			-----
B	-----			-----
C	-----			-----
D	-----			-----

Rental Real Estate Income		Properties			
		A	B	C	D
2	Gross rents	0.			
<b>Rental Real Estate Expenses</b>					
3	Advertising				
4	Auto and travel				
5	Cleaning and maintenance				
6	Commissions				
7	Insurance	32,822.			
8	Legal and other professional fees	18,743.			
9	Interest	71,042.			
10	Repairs	2,218.			
11	Taxes	35,840.			
12	Utilities	10,828.			
13	Wages and salaries				
14	Depreciation (see instructions)	24,958.			
15	Other (list) ▶ <u>Security</u>	986.			
	<u>Power Sweeping</u>	6,000.			
	<u>Snow Removal</u>	18,125.			
	* STMT	1,929.			
16	Total expenses for each property. Add lines 3 through 15	223,491.			
17	Income or (Loss) from each property. Subtract line 16 from line 2	-223,491.			
18a	Total gross rents. Add gross rents from line 2, columns A through H				0.
18b	Total expenses. Add total expenses from line 16, columns A through H				-223,491.
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities				
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)				
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:					
(1) Name		(2) Employer identification number		CROHNER 0045	
-----		-----		-----	
-----		-----		-----	
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on:				-223,491.
• Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4					

**SCHEDULE B-1**  
**(Form 1065)**(December 2009)  
Department of the Treasury  
Internal Revenue Service**Information on Partners Owning 50% or  
More of the Partnership**

▶ Attach to Form 1065. See instructions.

OMB No. 1545-0099

Name of partnership

Employer identification number (EIN)

**Seventh & Allen Equities, LLC****23-3063274****Part I** **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

**Part II** **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
George M Diemer	156-32-9827	United States	50.0000
Craig Rohner	156-32-8638	United States	50.0000

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (12-2009)

CROHNER 0046

651110

OMB No. 1545-0099

**Schedule K-1****(Form 1065)****2010**

For calendar year 2010, or tax

year beginning \_\_\_\_\_, 2010

ending \_\_\_\_\_, 2010

Department of the Treasury  
Internal Revenue Service**Partner's Share of Income, Deductions, Credits, etc.**

► See separate instructions.

**Part I Information About the Partnership****A** Partnership's employer identification number  
23-3063274**B** Partnership's name, address, city, state, and ZIP code  
Seventh & Allen Equities, LLC  
3000 Atrium Way, Suite 219  
Mount Laurel, NJ 08054**C** IRS Center where partnership filed return  
Cincinnati, OH**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number  
156-32-8638**F** Partner's name, address, city, state, and ZIP code  
Craig Rohner  
222 Kingsley Court  
Mount Laurel, NJ 08054**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I** What type of entity is this partner? Individual**J** Partner's share of profit, loss, and capital (see instructions):  
**Beginning** **Ending**

Profit	50.00000 %	50.00000 %
Loss	50.00000 %	50.00000 %
Capital	50.00000 %	50.00000 %

**K** Partner's share of liabilities at year end:

Nonrecourse	\$	2,230.
Qualified nonrecourse financing	\$	0.
Recourse	\$	853,150.

**L** Partner's capital account analysis:

Beginning capital account	\$	100,103.
Capital contributed during the year	\$	125,650.
Current year increase (decrease)	\$	-111,745.
Withdrawals and distributions	\$	
Ending capital account	\$	114,008.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book  
☐ Other (explain)
**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1**Part III****Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>15</b>	Credits
<b>2</b>	Net rental real estate income (loss) -111,745.		
<b>3</b>	Other net rental income (loss)	<b>16</b>	Foreign transactions
<b>4</b>	Guaranteed payments		
<b>5</b>	Interest income		
<b>6a</b>	Ordinary dividends		
<b>6b</b>	Qualified dividends		
<b>7</b>	Royalties		
<b>8</b>	Net short-term capital gain (loss)		
<b>9a</b>	Net long-term capital gain (loss)	<b>17</b>	Alternative minimum tax (AMT) items
		<b>A</b>	-43.
<b>9b</b>	Collectibles (28%) gain (loss)		
<b>9c</b>	Unrecaptured section 1250 gain		
<b>10</b>	Net section 1231 gain (loss)	<b>18</b>	Tax-exempt income and nondeductible expenses
<b>11</b>	Other income (loss)		
		<b>19</b>	Distributions
<b>12</b>	Section 179 deduction		
<b>13</b>	Other deductions	<b>20</b>	Other information
<b>14</b>	Self-employment earnings (loss)		

\*See attached statement for additional information.

FOR  
IRS  
USE  
ONLY

CROHNER 0047

Seventh &amp; Allen Equities, LLC 23-3063274

Schedule K-1 (Craig Rohner), Supplemental Information  
**Supplemental Information**

This Schedule K-1 is from an Eligible Small Business.

651110

**Schedule K-1**  
**(Form 1065)****2010**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2010, or tax  
year beginning \_\_\_\_\_, 2010  
ending \_\_\_\_\_☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,  
Credits, etc.** ▶ See separate instructions.

<b>Part I Information About the Partnership</b>	
<b>A</b> Partnership's employer identification number 23-3063274	
<b>B</b> Partnership's name, address, city, state, and ZIP code Seventh & Allen Equities, LLC 3000 Atrium Way, Suite 219 Mount Laurel, NJ 08054	
<b>C</b> IRS Center where partnership filed return Cincinnati, OH	
<b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)	
<b>Part II Information About the Partner</b>	
<b>E</b> Partner's identifying number 156-32-9827	
<b>F</b> Partner's name, address, city, state, and ZIP code George M. Diemer 351 NW 135 Terrace Pembroke Cove Apt 205, FL 33028	
<b>G</b> <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member	
<b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner	
<b>I</b> What type of entity is this partner? <u>Individual</u>	
<b>J</b> Partner's share of profit, loss, and capital (see instructions):	
Beginning Ending	
Profit 50.00000 % 50.00000 %	
Loss 50.00000 % 50.00000 %	
Capital 50.00000 % 50.00000 %	
<b>K</b> Partner's share of liabilities at year end:	
Nonrecourse ..... \$ 2,230.	
Qualified nonrecourse financing ..... \$ 0.	
Recourse ..... \$ 0.	
<b>L</b> Partner's capital account analysis:	
Beginning capital account ..... \$ 134,699.	
Capital contributed during the year ..... \$ 126,900.	
Current year increase (decrease) ..... \$ -111,746.	
Withdrawals and distributions ..... \$	
Ending capital account ..... \$ 149,853.	
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book	
<input type="checkbox"/> Other (explain)	
<b>M</b> Did the partner contribute property with a built-in gain or loss?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", attach statement (see instructions)	

<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>	
<b>1</b> Ordinary business income (loss)	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss) -111,746.	
<b>3</b> Other net rental income (loss)	<b>16</b> Foreign transactions
<b>4</b> Guaranteed payments	
<b>5</b> Interest income	
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	<b>17</b> Alternative minimum tax (AMT) items A -43.
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured section 1250 gain	
<b>10</b> Net section 1231 gain (loss)	<b>18</b> Tax-exempt income and nondeductible expenses
<b>11</b> Other income (loss)	
	<b>19</b> Distributions
<b>12</b> Section 179 deduction	
<b>13</b> Other deductions	<b>20</b> Other information
<b>14</b> Self-employment earnings (loss)	
*See attached statement for additional information.	
FOR IRS USE ONLY	
CROHNER 0049	

Seventh & Allen Equities, LLC 23-3063274

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Schedule K-1 (George M. Diemer), Supplemental Information  
**Supplemental Information**

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This Schedule K-1 is from an Eligible Small Business.

Seventh &amp; Allen Equities, LLC 23-3063274

Form 1065, Schedule L, Line 6

**Other Current Assets**

<b>Other Current Assets:</b>	Beginning of tax year	End of tax year
<u>Escrow - Alliance</u>	<u>20,599.</u>	<u>25,499.</u>
<u>Other</u>		<u>1,023.</u>
Total	<u><u>20,599.</u></u>	<u><u>26,522.</u></u>

Form 8825, Page 1, Line 15

**Other Expenses Stmt**

Other (list) ▶				
<u>Administrative</u>	<u>729.</u>			
<u>Amortization</u>	<u>1,200.</u>			
Total	<u><u>1,929.</u></u>			

CROHNER 0051

Seventh & Allen Equities, LLC 23-3063274

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**Additional Information**

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EXPLANATION FOR LARGE OPERATING LOSS

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This rental property incurred a large operating loss in 2009 and 2010 due to a sprinkler head freezing and bursting and flooding the interior of the building. The cost to repair the damage caused by the flood approximated \$146,000 none of which was or will be reimbursed by insurance. Additionally, the main tenant, Rite Aid Drug Store, vacated the building after the flood greatly reducing rental income for 2009 and resulting on zero rental income for 2010.

CROHNER 0052